



GARY R. HERBERT
Governor

GREGORY S. BELL
Lieutenant Governor

State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

Inspection Report Minerals Regulatory Program February 3, 2010

Reviewed: PBB

Mine Name: Bonanza	Permit Number: M/047/0010
Operator Name: American Gilsonite	Inspection Date: November 4, 2009
Inspector(s): L Heppler	Time: 3:00 pm
Other Participants: Valynn Davis- American Gilsonite	Mine Status: Active

Elements of Inspection	Evaluated	Comment	Enforcemen
1. Permits, Revisions, Transfer, Bonds	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
2. Public Safety (shafts, adits, trash, signs, highwalls)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. Protection of Drainages / Erosion Control	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
4. Deleterious Material	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5. Roads (maintenance, surfacing, dust control, safety)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
6. Reclamation	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
7. Backfilling/Grading (trenches, pits, roads, highwalls, shafts)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
8. Soils	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
9. Revegetation	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Bond Renewal Date: 06-15-2012 **Bond Amount:** \$514,000 **Permit fee** is up to date

Purpose of Inspection: Routine annual Inspection. This site was inspected as a large mine site on 10/31/2006

Inspection Summary: Several different sites were visited in all phase of reclamation from active mining, to demolition, to regraded sites. Noxious weeds (Halogeton and Russian thistle) dominated disturbed ground. No erosional problems were noted. There were no topsoil stockpiles noted on site. Every effort should be made to salvage top soil from the site prior to mining.

Photos were taken to document site conditions.

Conclusions and Recommendations: Large bone yard adjacent to town should be cleaned up, several older vehicles were noted that no longer in the mines fleet. Noxious weeds should be controlled. Future mine site along the vein should include the topsoil stockpile that have a temporary cover crop. OGM to continue annual inspections and monitor the site when in the area.

Inspector's Signature L. H. H.

LAH:vs

cc: American Gilsonite - Chris Bryan,

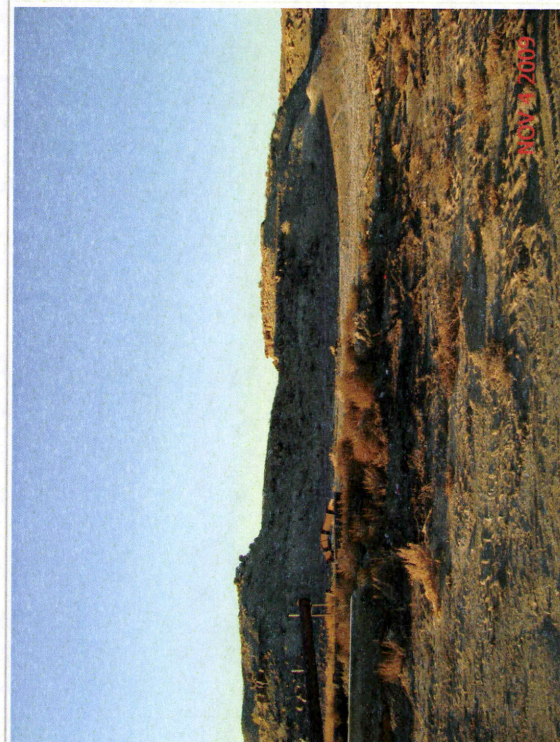
BLM- Stan_Perkes@BLM.gov

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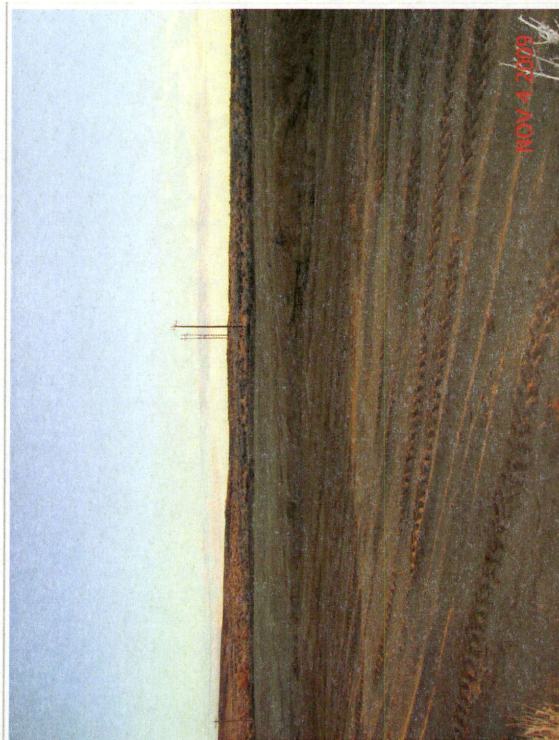




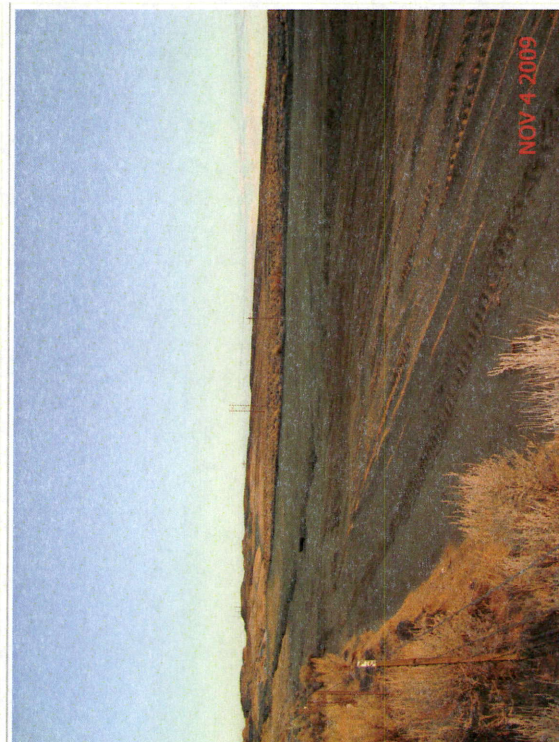
Inactive site, still needs reclamation



Site undergoing reclamation



Reclaimed site - Ground should be roughed prior to seeding



Large area of reclamation